

State of Alaska FY2011 Governor's Operating Budget

Department of Health and Social Services Senior and Disabilities Medicaid Services Component Budget Summary

Component: Senior and Disabilities Medicaid Services

Contribution to Department's Mission

Maximize the services available to all Alaskans who are entitled to Medicaid services.

Core Services

- Provide funds that support institutional and community-based services for older Alaskans, children who are developmentally disabled, and adults with disabilities.
- Nursing Facility Services include placement in a nursing institution which provides either an intermediate or skilled level of nursing care.
- Personal Care Services provide non-technical, hands-on assistance with activities of daily living (such as bathing, dressing, or grooming) and related instrumental activities of daily living (such as shopping or cooking) necessary to maintain the health and safety of the client in a home setting. There are two methods of delivering personal care services: agency-based or consumer-directed.
- Home- and Community-Based Waiver Services provide long-term care services in home- and community-based settings to persons who need the level of care provided in a nursing facility or intermediate care facility for the mentally retarded but wish to remain in their own homes and communities to receive services.
- Medicaid services include care coordination, chore services, adult day services, day habilitation, environmental modifications, meals, respite care, residential care in alternatives such as assisted living or group homes, specialized medical equipment, specialized private duty nursing, supported employment, and transportation. Senior and Disabilities Medicaid Services component administers four Medicaid Waiver programs:
- Older Alaskan Waiver provides services to Medicaid eligible persons aged 65 and older that need the level of care provided in a nursing home.
- Adults with Physical Disabilities Waiver provides services to Medicaid eligible persons between the ages of 21 and 64 who need the level of care provided in a nursing home.
- Mental Retardation/Developmental Disability Waiver provides services to Medicaid eligible persons with mental retardation, autism, cerebral palsy, seizure disorder, or a condition that means the person functions as if having mental retardation. The person must also have a serious limitation in everyday functions of life and need the level of care provided in an intermediate care facility for the mentally retarded.
- Children with Complex Medical Conditions Waiver provides services to Medicaid eligible persons age 21 or younger having a severe, life threatening, chronic physical condition that is expected to continue for more than 30 days. The child also must be dependent upon medical care or technology and need the level of care provided in a nursing home or hospital.

Key Component Challenges

- Senior and Disabilities Services (SDS) underwent a focused site review by the Centers for Medicare and Medicaid Services (CMS) in May of 2009. As a result, SDS submitted a preliminary Corrective Action Plan (CAP) on Sept. 3, 2009 and continues to work with CMS and the National Quality Enterprise to provide additional specificity and detail to the CAP with a target completion/approval date of November 20, 2009.

Significant Changes in Results to be Delivered in FY2011

No significant changes in results for FY11.

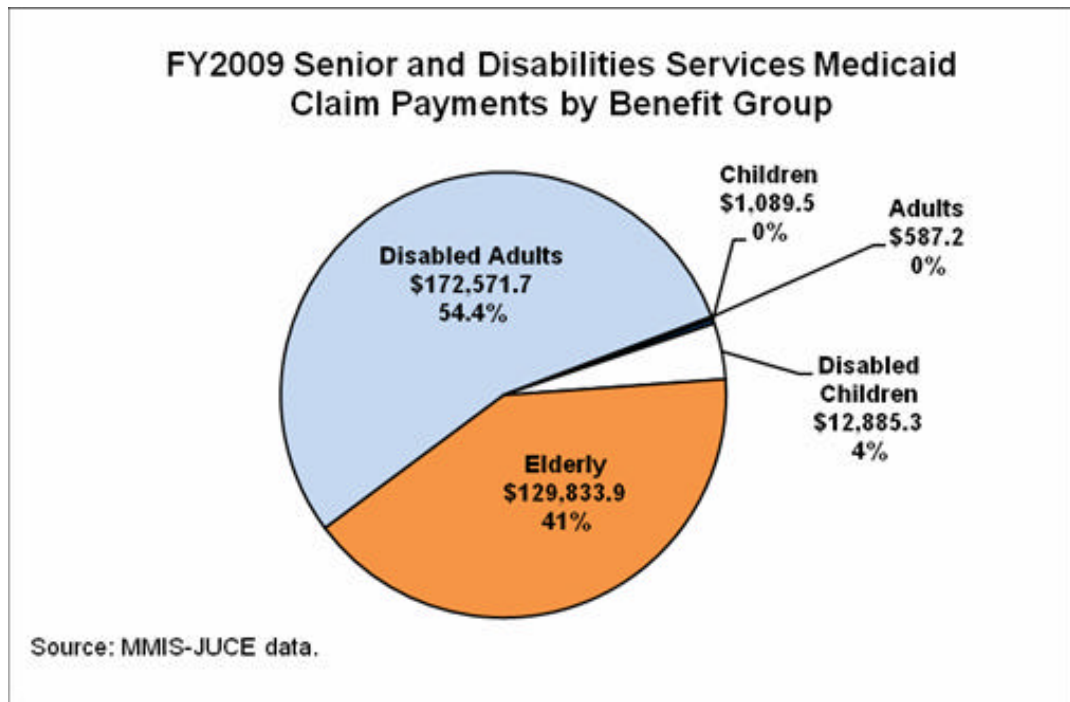
Updated Status for Changes in Results to be Delivered in FY2010

No significant changes in results for FY10.

Major Component Accomplishments in 2009

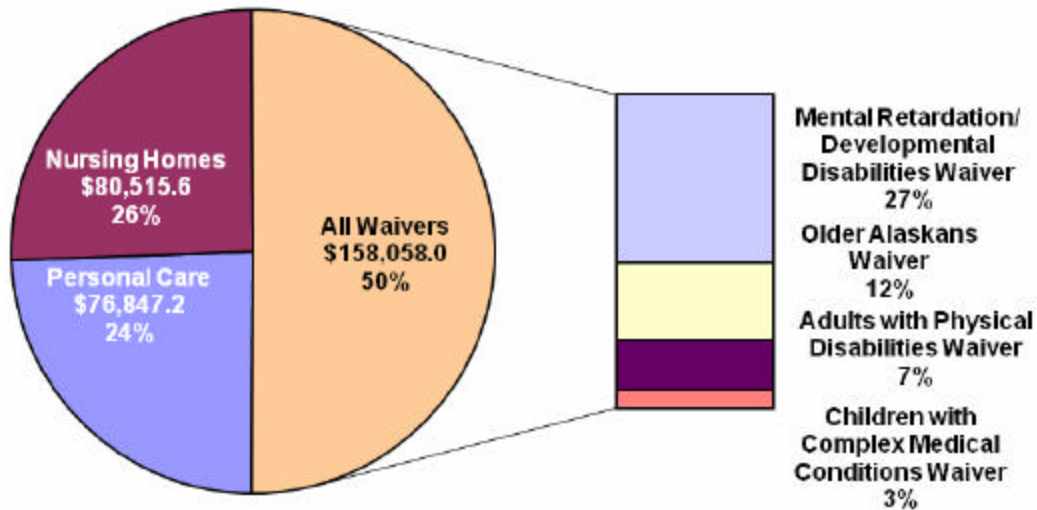
In FY09 Senior and Disabilities Services Medicaid provided services to approximately 7,600 beneficiaries at an average annual cost per person that approached \$41,800. Almost 55% of the benefit payments were for disabled adults, about

41% for the elderly, and 4% were disabled children.



Benefit costs for all services funded through Senior and Disabilities Medicaid grew by 9% between FY08 and FY09. FY09 costs for personal care services were 6% less than FY08 costs, while costs for nursing homes grew by 8% and home and community based waiver services grew by 11% overall. In FY09, half of Senior and Disabilities Medicaid claim payments were for waiver services. Personal care services comprised 24%, and nursing home services comprised 26% of FY09 payments.

Senior and Disabilities Medicaid Services FY 2009 Expenditures by Service Category Total Expenditure = \$315,420.8



Source: ALDER data.

At the direction of the state legislature, the department implemented regulations to better manage and evaluate its Personal Care Attendant (PCA) program in April 2006. Regulation changes reduced the number of clients accessing the PCA program and the quantity of services utilized. Audits of Personal Care Attendant agencies and assistance providers, along with strict enforcement of existing regulations, also contributed to the successful control of PCA service utilization since 2006. As a result, annual Medicaid spending on PCA services decreased 7% for the second consecutive year.

Statutory and Regulatory Authority

AS 47.07 Medical Assistance for Needy Persons
AS 47.25 Public Assistance

Social Security Act:
Title XVIII Medicare
Title XIX Medicaid

Administrative Code:
7 AAC 43 Medicaid
7 AAC 100 Medicaid Assistance Eligibility

Code of Federal Regulations:
Title 42 CFR Part 400 to End

Contact Information

Contact: Betsy Jensvold, Budget Manager
Phone: (907) 465-1629
Fax: (907) 465-1850
E-mail: betsy.jensvold@alaska.gov

Senior and Disabilities Medicaid Services Component Financial Summary

All dollars shown in thousands

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	-712.3	0.0	0.0
73000 Services	712.3	0.0	2,033.8
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	316,133.0	355,881.3	382,208.3
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	316,133.0	355,881.3	384,242.1
Funding Sources:			
1002 Federal Receipts	164,631.1	189,216.5	202,359.8
1003 General Fund Match	110,922.2	116,518.2	129,701.9
1004 General Fund Receipts	16,630.9	13,251.9	15,285.7
1007 Inter-Agency Receipts	2,392.1	2,552.2	2,552.2
1108 Statutory Designated Program Receipts	139.9	1,200.0	1,200.0
1212 Federal Stimulus: ARRA 2009	21,416.8	33,142.5	33,142.5
Funding Totals	316,133.0	355,881.3	384,242.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Authorized	FY2011 Governor
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	0.0	0.0	0.0	0.0	202,359.8
Interagency Receipts	51015	0.0	0.0	0.0	0.0	2,552.2
Statutory Designated Program Receipts	51063	0.0	0.0	0.0	0.0	1,200.0
Federal Economic Stimulus	51118	0.0	0.0	0.0	0.0	33,142.5
Restricted Total		0.0	0.0	0.0	0.0	239,254.5
Total Estimated Revenues		0.0	0.0	0.0	0.0	239,254.5

**Summary of Component Budget Changes
From FY2010 Management Plan to FY2011 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	129,770.1	222,359.0	3,752.2	355,881.3
Adjustments which will continue current level of service:				
-Transfer Funds from Alaska Pioneer Homes for Medicaid Match Payment	2,033.8	0.0	0.0	2,033.8
Proposed budget increases:				
-Medicaid Growth	13,183.7	13,143.3	0.0	26,327.0
FY2011 Governor	144,987.6	235,502.3	3,752.2	384,242.1

Component Detail All Funds **Department of Health and Social Services**

Component: Senior and Disabilities Medicaid Services (2662)

RDU: Senior and Disabilities Services (487)

	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	-712.3	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	712.3	0.0	0.0	0.0	2,033.8	2,033.8	100.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	316,133.0	355,881.3	355,881.3	355,881.3	382,208.3	26,327.0	7.4%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	316,133.0	355,881.3	355,881.3	355,881.3	384,242.1	28,360.8	8.0%
Fund Sources:							
1002 Fed Rcpts	164,631.1	189,216.5	189,216.5	189,216.5	202,359.8	13,143.3	6.9%
1003 G/F Match	110,922.2	116,518.2	116,518.2	116,518.2	129,701.9	13,183.7	11.3%
1004 Gen Fund	16,630.9	19,153.2	13,251.9	13,251.9	15,285.7	2,033.8	15.3%
1007 I/A Rcpts	2,392.1	2,552.2	2,552.2	2,552.2	2,552.2	0.0	0.0%
1108 Stat Desig	139.9	1,200.0	1,200.0	1,200.0	1,200.0	0.0	0.0%
1212 Fed ARRA	21,416.8	27,241.2	33,142.5	33,142.5	33,142.5	0.0	0.0%
General Funds	127,553.1	135,671.4	129,770.1	129,770.1	144,987.6	15,217.5	11.7%
Federal Funds	186,047.9	216,457.7	222,359.0	222,359.0	235,502.3	13,143.3	5.9%
Other Funds	2,532.0	3,752.2	3,752.2	3,752.2	3,752.2	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)

RDU: Senior and Disabilities Services (487)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
FY2010 Conference Committee												
	ConfCom	355,881.3		0.0	0.0	0.0	0.0	0.0	355,881.3		0.0	0
1002 Fed Rcpts		189,216.5										
1003 G/F Match		116,518.2										
1004 Gen Fund		19,153.2										
1007 I/A Rcpts		2,552.2										
1108 Stat Desig		1,200.0										
1212 Fed ARRA		27,241.2										
ADN 06-9-0059 FMAP increase 1.765% Sec 12 Ch 17 SLA2009, P 17, L 24 (HB199)												
	OthApr	0.0		0.0	0.0	0.0	0.0	0.0	0.0		0.0	0
1004 Gen Fund		-5,901.3										
1212 Fed ARRA		5,901.3										

FMAP Increase 1.765%

Reference: HB 199 Section 12(a) and 12(b), p 17, line 24

Description:

Anticipated federal economic stimulus funding available to replace state funds under the federal medical assistance program (sec. 1905(b), Social Security Act).

When ARRA was originally signed in February 2009, the percentage of Title XIX costs that the federal government would pay (FMAP) increased from 50.53% for FFY 2009 and 51.43% for FFY 2010 to 58.68% for the period from October 2008 through December 2010. Included in ARRA is a provision that allows the FMAP to increase further if a state's unemployment rate exceeds certain thresholds. Alaska reached the first unemployment tier when its unemployment rate averaged 8.5% for three months. This fund change is a result of Alaska reaching the first unemployment tier, which brings Title XIX spending up to a 61.12% FMAP for 2010.

When the calculations were originally made for "FMAP Increase of 6.2%," the amount of fund changes for FFY 2010 were overstated; fund changes were made for an FMAP increase of 8.15 percentage points, which comprised of a 6.2 percentage point FMAP increase and a 1.95 percentage point hold harmless. However, for FFY 2010 the hold harmless should have only been 1.05 percentage points, not the 1.95 percentage points that went into the change record.

Instead of making a change record for 2.44 percentage points, once we include the fact that the federal fiscal years and state fiscal years don't line up, the 2010 change record associated with the FMAP increase to 61.12% is 1.765 percentage points (1 quarter of 2.44 percent and 3 quarters at 1.54 percent).

Fund Change:

-5,901.3 GF

5,901.3 Federal Stimulus

Change Record Detail - Multiple Scenarios With Descriptions
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)

RDU: Senior and Disabilities Services (487)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Subtotal	355,881.3	0.0	0.0	0.0	0.0	0.0	355,881.3	0.0	0	0	0
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
	Subtotal	355,881.3	0.0	0.0	0.0	0.0	0.0	355,881.3	0.0	0	0	0
***** Changes From FY2010 Management Plan To FY2011 Governor *****												
Medicaid Growth												
	Inc		26,327.0	0.0	0.0	0.0	0.0	0.0	26,327.0		0.0	0
1002 Fed Rcpts		13,143.3										
1003 G/F Match		13,183.7										
This increment is necessary to maintain the current level of long-term health services in Medicaid eligible elderly or disabled Alaskans. For FY11, Senior and Disabilities Medicaid costs are projected to increase 9.8% from FY10, due to increases in rates and utilization. While the Personal Care Attendant program has made remarkable progress in controlling costs, the savings from those cost containment efforts have been exhausted. Rate increases and increased utilization by the aging population will cause costs to rise.												
Projections for formula growth are based on historical trends in enrollment, utilization, provider reimbursement, and federal financial participation. The formula growth projection does not speculate on future or proposed changes to eligibility, benefits or federal medical assistance percentage (FMAP). Projections are revised monthly and this increment request will be revisited for the Governor's Amended budget.												
The Senior and Disabilities Medicaid Services component funds long-term care services: nursing homes, personal care attendants, and home- and community-based services. These programs support the department's mission to manage health care for eligible Alaskans in need. Providing long-term care through Medicaid improves and enhances the quality of life for seniors and persons with disabilities through cost-effective delivery of services.												
Transfer Funds from Alaska Pioneer Homes for Medicaid Match Payment												
	Trin		2,033.8	0.0	0.0	2,033.8	0.0	0.0	0.0		0.0	0
1004 Gen Fund		2,033.8										
The division currently receives general fund (GF) related to Residential Assisted Living Medicaid Waiver receipts as inter-agency receipts through reimbursable service agreements with the Alaska Pioneers Homes division. Transferring the GF to Senior and Disabilities Services (SDS) Medicaid Services component will increase efficiency and reduce paperwork by placing the general fund in the budget of the division responsible for making the match payment.												
The amount of the transfer is based on FY10 authorized Medicaid receipts multiplied by the state FY10 GF match percentage.												
	Totals	384,242.1	0.0	0.0	2,033.8	0.0	0.0	382,208.3	0.0	0	0	0

Line Item Detail
Department of Health and Social Services
Travel

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Senior and Disabilities Services (487)

Line Number	Line Name	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
72000	Travel	-712.3	0.0	0.0

Line Item Detail
Department of Health and Social Services
Services

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Senior and Disabilities Services (487)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000	Services		712.3	0.0	2,033.8
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000 Services Detail Totals			0.0	0.0	2,033.8
73970	Contractual Cost Trf	Residential Assisted Living Medicaid Waiver, Pioneer Home	0.0	0.0	2,033.8

Line Item Detail
Department of Health and Social Services
Grants, Benefits

Component: Senior and Disabilities Medicaid Services (2662)

RDU: Senior and Disabilities Services (487)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
77000	Grants, Benefits		316,133.0	355,881.3	382,208.3
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
77000 Grants, Benefits Detail Totals			0.0	0.0	382,208.3
77290	Medical Svcs (Tax)	Medicaid services including: Personal Care, Nursing and Waiver Services.	0.0	0.0	376,977.3
77290	Medical Svcs (Tax)	H&SS Medicaid benefit payments (total computable) are paid to the Pioneer Homes (AKPH) component as the mechanism to allow them to bill for long-term care waiver services provided to Medicaid eligible Pioneer Home residents.	0.0	0.0	5,231.0

Restricted Revenue Detail
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Senior and Disabilities Services (487)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan
51010	Federal Receipts	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan
57300	Title Xix Medicaid Federal Collections - The bulk of the federal funding for Medicaid benefits comes from claims reimbursed at the federal medical assistance percentage or FMAP. Additional Medicaid fund sources are IHS (Indian Health Service) at 100% Federal and "Enhanced" FMAP for specific programs. Actual collections are based on the proportion of expenditures eligible for each type of federal reimbursement.				0.0	0.0
57301	Title XIX Map Medicaid Federal Collections - The bulk of the federal funding for Medicaid benefits comes from claims reimbursed at the federal medical assistance percentage or FMAP. Additional Medicaid fund sources are IHS (Indian Health Service) at 100% Federal and "Enhanced" FMAP for specific programs. Actual collections are based on the proportion of expenditures eligible for each type of federal reimbursement.		06150001	11100	0.0	0.0

Restricted Revenue Detail **Department of Health and Social Services**

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Senior and Disabilities Services (487)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan
51015	Interagency Receipts	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan
59060	Health & Social Svcs	Alaska Pioneer Homes Management	06214651	11100	0.0	0.0
Alaska Pioneer Home Assisted Living State Match RSA. Pioneer Homes return the state match portion of the Medicaid payment and retain only the federal share.						

Restricted Revenue Detail **Department of Health and Social Services**

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Senior and Disabilities Services (487)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan
51063	Statutory Designated Program Receipts	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan
54252	Recovd Medicaid Pymt		06150001	11100	0.0	0.0
	Recovery of Overpayment by Medicaid providers discovered through audit.					

Restricted Revenue Detail **Department of Health and Social Services**

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Senior and Disabilities Services (487)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan
51118	Federal Economic Stimulus	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan
51118	Federal Economic Stimulus		06150001	11100	0.0	0.0
	Medicaid Federal Collections - Temporary increase of the federal matching rate (FMAP) for Medicaid as a part of the economic stimulus package.					

Inter-Agency Services
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)

RDU: Senior and Disabilities Services (487)

Expenditure Account		Service Description	Service Type	Servicing Agency	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73970	Contractual Cost Trf	Residential Assisted Living Medicaid Waiver, Pioneer Home	Intra-dept		0.0	0.0	2,033.8
73970 Contractual Cost Trf subtotal:					0.0	0.0	2,033.8
77290	Medical Svcs (Tax)	Medicaid benefit payments (total computable) are paid to the Pioneer Homes (AKPH) component as the mechanism to allow them to bill for long-term care waiver services provided to Medicaid eligible Pioneer Home residents.	Intra-dept	H&SS	0.0	0.0	5,231.0
77290 Medical Svcs (Tax) subtotal:					0.0	0.0	5,231.0
Senior and Disabilities Medicaid Services total:					0.0	0.0	7,264.8
Grand Total:					0.0	0.0	7,264.8